

Annual results 2018

The Company continues to lead the growth in the Spanish market and exceeds its objectives in all parameters

MASMOVIL Group reaches a revenue of 1,451M€ (+12%) in 2018, a net profit of 71M€, and improves its forecasts in the short and medium term

- EBITDA (+39%), services revenues (+17.5%) and customers (+41%)
- The Company expects to continue its good commercial momentum during 2019 and reach an EBITDA of 450 M € (+36%).
- The Group has increased its customer base by 2.3M, to close to 8M. 1.4M between fixed and mobile postpaid broadband.
- In 2019, the investments will reach 360M€ principally in the deployment of its fiber network and increasing customer growth.
- The improvement in the medium-term objectives are due to the good performance of the Company, with an expectation of reaching an EBITDA of between 530M€ and 550M€ in 2020.

Madrid, February 28, 2019- MASMOVIL Group today has presented its results for the year 2018 and closed the year **surpassing its latest forecasts in all commercial and financial parameters and leading the growth in the Spanish telecommunications market for the second consecutive year, for both acquisition and customer satisfaction.**

During this period, MASMOVIL Group **has achieved a net result of € 71M and an adjusted net result of € 135M.**

In addition, **during the last quarter of the year, the Company has recorded excellent results and accelerated its growth over previous quarters, in terms of net contracts from fixed broadband and postpaid mobile, EBITDA and services revenue.**

The Group has also published its **forecasts for 2019, year in which it expects to continue its strong growth and in which it expects to reach an EBITDA of 450M€, 36% more than previous year.**

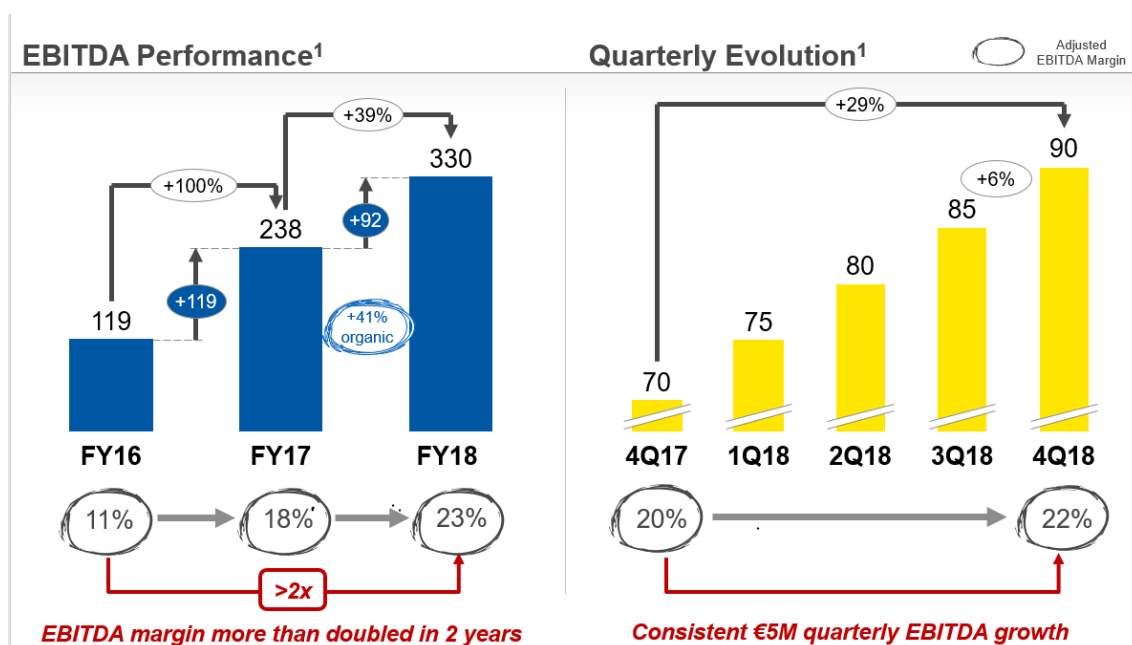
In addition, it has updated and improved its **EBITDA forecast for 2020 with a range between 530M€ and 550M€, which means more than 60% than the obtained in 2018.**

Excellent annual results in all parameters with a strong acceleration in the last quarter of the year

During 2018, the Group has achieved **excellent results thanks to strong organic growth and due to the success and good commercial performance of all the Group's brands**: Yoigo, MASMOVIL, Pepephone, LLamaya, and the recently acquired Lebara.

In 2018, **Group MASMOVIL reached an EBITDA of 330M€, 39% more than that obtained last year. The EBITDA margin has more than doubled in the last two years, from 11% in 2016 to 23% in 2018.**

In the last quarter of the year, **the Group continued to accelerate its profitability and increased EBITDA by 29% compared to the same period of last year, reaching 90M€, 6% more than in the previous quarter, with an EBITDA margin of 22%.**



Service revenues during 2018 were 1,183M€, 17.5% more than last year. During the fourth quarter of the year, service revenues have experienced a strong acceleration reaching 324M€, 19% more than in the previous year.

The Group reached total revenues of 1,451M€ in 2018, 12% more than last year. During the last quarter of the year, the Company obtained 413M€ of total revenues, 17% more than the same period of the previous year, again confirming the acceleration of this parameter.

During the past year, MASMOVIL Group invested a total of 525M€ -408M€ in infrastructures-, mainly dedicated to the deployment of its fiber network in which it invested a total of 285M€, to support its growth in customers, the development of strategic projects, as well as to the acquisition of 5G spectrum, of which the

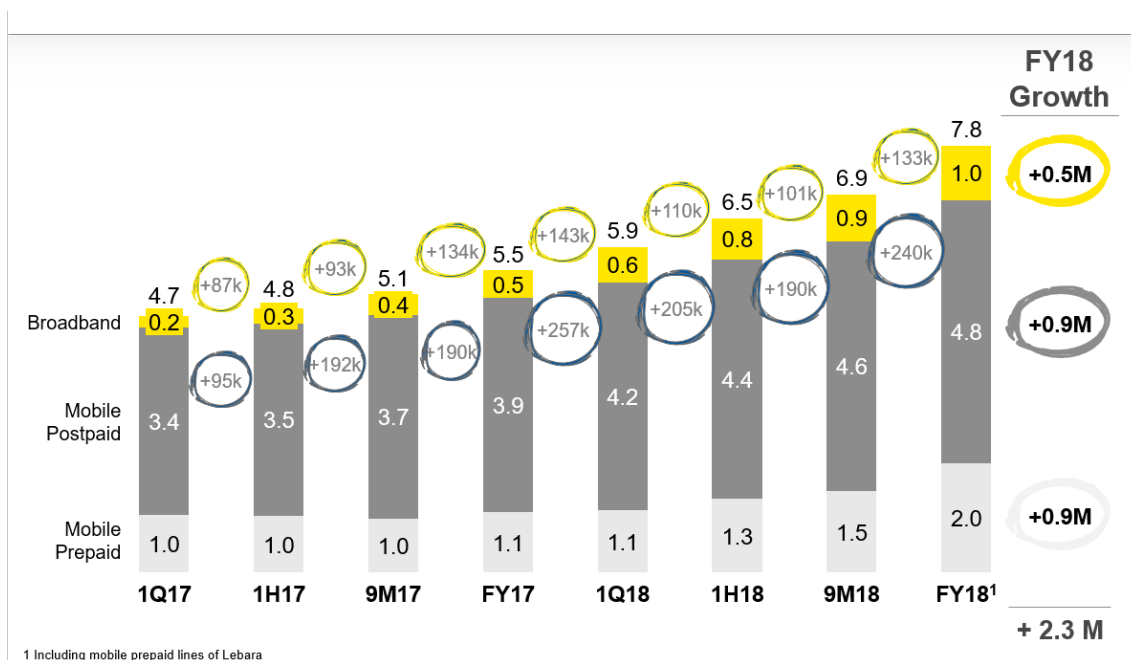
Company already has 80Mhz, being the Spanish operator with the largest amount of spectrum per client.

"We are delighted with the excellent results obtained by the Group in 2018 and for having been able to beat again the latest forecasts communicated to the market. In 2019, we continue betting on the satisfaction of our customers and the creation of value for the telco industry and we are sure that we will be able to achieve our goals "said Meinrad Spenger, CEO of Grupo MASMOVIL.

Great commercial performance: accelerates the growth of its total customer base with the addition of 2.3M new customers.

Regarding its commercial results, **MASMOVIL Group closed 2018 with 7.8M customers, 41% more than last year**, of which, about 7M are mobile and 1M fixed broadband, demonstrating that its strategy Multi-brand continues to obtain excellent results.

The Group has exceeded its expectations of customer acquisition and in 2018 it has added close to 1.4M of customers between fixed and mobile postpaid broadband, 72% more than the first estimate made to the market. MASMOVIL has added a total of about 2.3M of total customers over the past year.



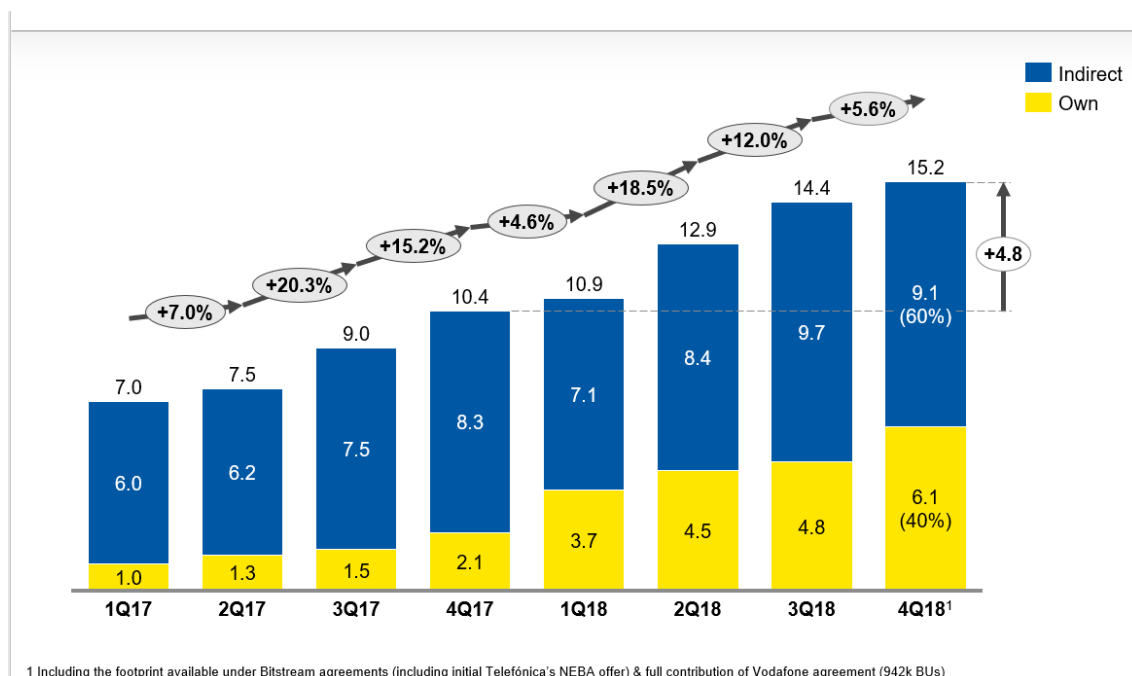
Of the total mobile customers, **4.8M correspond to postpaid customers, 23% more than last year and 2M to prepaid customers, including the incorporation of the Lebara brand into the Group.**

In the last quarter of the year, the Company accelerated its rate of the customer base acquisition with the addition of 373,000 customers between mobile postpaid -240,000- and fixed broadband -133,000-, being one of the best quarters in customer growth in the history of the Company.

In portability terms, the Group continues to obtain excellent results and it has been the market leader in both mobile and fixed broadband, quarter after quarter, during the last two years.

Regarding the fixed broadband business, MASMOVIL Group at the end of 2018 had 1M customers, multiplying by 2 the figure at the end of the previous year. During the year, the Company added 500,000 new customers of this modality. Nowadays close to 70% of the Group's customers have access to fiber optic and more than 80% of new customers are added through this technology.

By the end of last year, the Group had a fiber coverage of 15.2M households (6.1M with its own fiber), close to 5M more than last year, of which 4M have been added through its own fiber network. In mobile, thanks to its network and the agreements with other operators, the Group has a 4G coverage of 98.5% of the Spanish population.



The Group will invest 360M€ in 2019 mainly for the deployment of its fiber network and the growth of its customer base

MASMOVIL Group continues its strategy of investment and the development of its fiber network. In 2019 the Group will invest a total of 360M€, of which 140M€ will be dedicated to the growth of the Company's fixed and mobile infrastructure.

Of this amount, 125 M€ correspond to the development of its own fiber network, which it expects to add 2M additional homes this year. In addition, the Company will dedicate another 75M€ to the maintenance of its fixed and mobile networks and information systems, and more than 80M€ to support its growth in customers.

Guidance for 2019

Taking into account the good results of the Company during 2018, the MASMOVIL Group expects to maintain the strong organic growth of its business this year and achieve the following objectives:

- **Services revenues: growth in service revenues of 22%, to reach 1,445M€.**
- **EBITDA: reaching 450M€ of recurring EBITDA**, compared to 330M€ in 2018 (+36%) **and an EBITDA margin of 27%.**
- **CAPEX: 360M€ destined mainly to the efficient development of its fiber network -125M € -** and to support the growth of its customer base.

The Group increase its medium-term objectives

MASMOVIL has updated and improved its objectives for 2020 given the favorable evolution of the Company, as following:

- **Total revenues between 1,825M€ and 1,875M€.**
- **Recurring EBITDA between 530M€ and 550M€**, which means more than 60% than the obtained in 2018, **with an EBITDA margin of 29%.**
- **Capex reduction to 285M€ in 2020.**

About MASMOVIL Group

MASMOVIL Group is the fourth telecommunications operator in Spain, offering services for fixed line telephone, mobile phone services, and internet broadband for home use, companies and operators under its principle brands: Yoigo, Pepephone, MASMOVIL, Lebara y Llamaya.

The Group holds a fixed infrastructure of Fibra/ADSL and mobile 3G and 4G. At present it is capable to serve more than 15.2 million of homes with optic fiber and 18 million more with ADSL. Its 4G mobile network covers 98.5% of the Spanish population. The Group has more than 8 million customers in Spain.

MASMOVIL Group has received the 2018 award ADSL as the ["Best Fiber Operator"](#) from the Grupo Informatico. In addition, it has been nominated for the award as the ["Revelation Company of the year"](#) within the Business Awards of the Grupo Vocento.

Additionally, it is the operator with the fastest fiber network in Spain during 2018 according to a study by the company, [nPerf](#), and the operator with the fastest 3G+4G aggregated mobile network in Spain, according to a study by the company, [Tutela](#). It also has obtained the highest rating for Spanish mobile operators from its customers satisfaction according to the "2017 Index of Client Experience", prepared by the consultor Stiga.

Para más información

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